Reducing costs, ensuring compliance, and improving performance

Commonwealth of Virginia
Commission on Government Reform and
Restructuring
Simplification & Operations Committee

November 15, 2010



Engineering the flow of communication™



Pitney Bowes Inc.

- Headquartered in Stamford, CT
- Over 30,000 employees worldwide
- Offices in over 130 countries
- International leadership since 1920
- Worldwide distribution
- 14-year track record as one of the top 200 corporations receiving U.S. patents
- Investment in R&D over \$200M/year
- Investment in acquisitions \$2.6B since 2001
- Fortune 350 company
- Annual revenue of \$6.5 billion
- 17 years of double-digit dividend growth

A Global Company



Pitney Bowes is the world's leading provider of integrated mail and document management systems, services and solutions

One company offers the know-how and capabilities needed to succeed: Pitney Bowes

The track record of a trusted partner:



90-year heritage
Market leader in Mailstream solutions
Operating in 130 countries
3,500 patents
2 million customers
100 Best Corporate Citizens



The achievements of a company on the move:

Over \$2 billion invested in 70 strategic acquisitions Gartner CRM Innovator Award Winner Consistently ranked high among the Software 500

Commonwealth of Virginia Objectives

- Identify and eliminate redundant processes
- Create efficiencies within state government
 - Better utilization of hardware, facilities & staff
 - Improved productivity and document integrity
 - Lower printing, processing and postage cost
 - Enhance data quality
 - Decrease percentage of returned mail
- Increased accountability using effective communication channels to constituents
- Disaster recovery contingency planning
- Implement 'Green Initiatives'

What Does Pitney Bowes Do?

Pitney Bowes provides the software, hardware, consulting and services for the Mailstream.

Pitney Bowes has a proven track record in helping states save money by facilitating shared services initiatives through better utilization of existing hardware, facilities and resources. Create integrity in the Mailstream while meeting compliance issues and improving communication with constituents partnering with Pitney Bowes to Engineer the Flow of CommunicationTM.

What is the Commonwealth of Virginia Mailstream?

CREATE

PRODUCE

DISTRIBUTE

State
Data/Print
Center

The Commonwealth's mail stream is the sum of all documents and mail, both traditional hard copy and digital, as well as packages, that flow from state agencies to Virginia constituents and back. It encompasses the entire matrix of people, processes and technology in place, and includes database applications to printing to delivery and remittance or response processing

RECEIVE

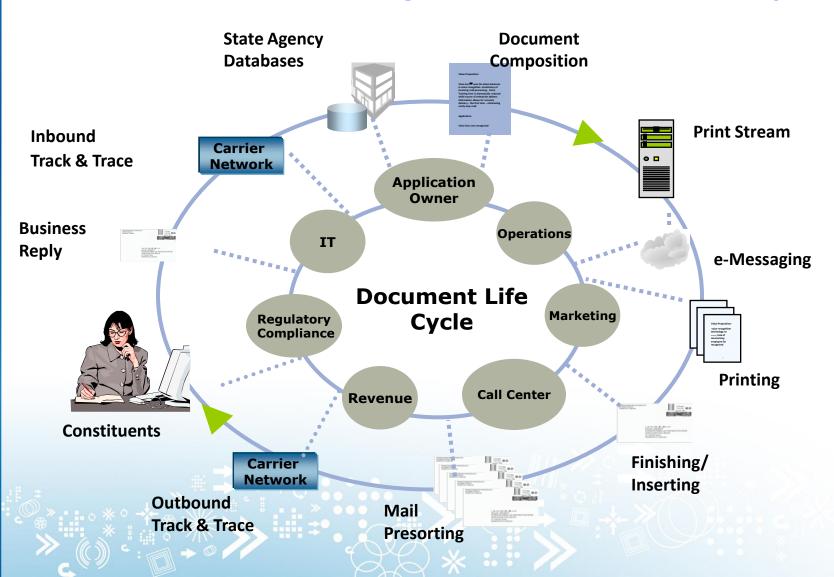
INTEGRATE/

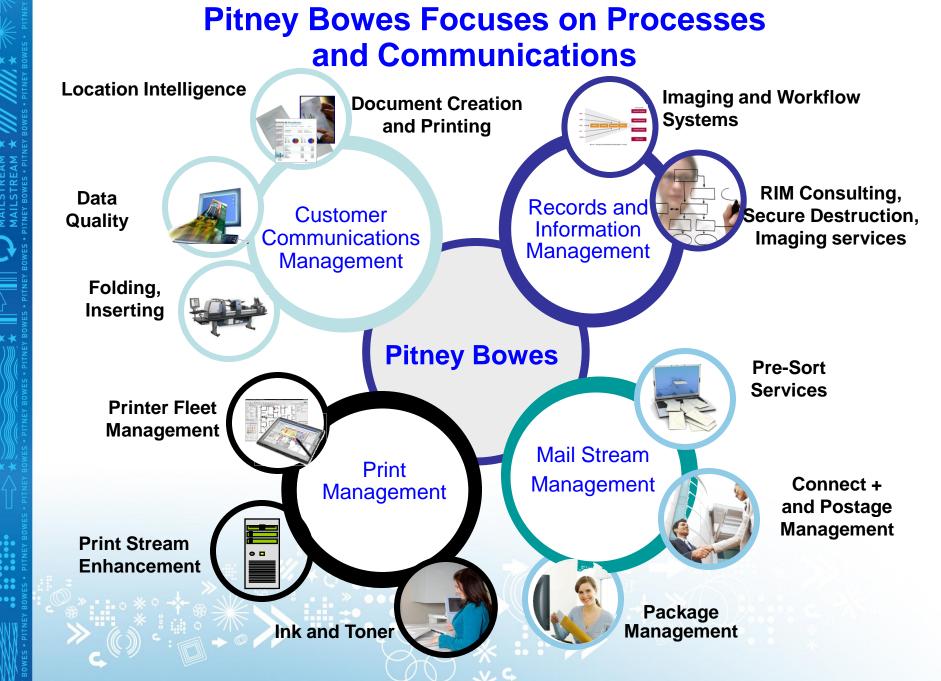
MANAGE

STORE/ RETRIEVE **Constituents**

INBOUND

Commonwealth of Virginia's Mailstream Life Cycle





Pitney Bowes Working With Virginia Today

AGENCY	<u>APPLICATION</u>	5-Year Savings
Dept of Motor Vehicles	Automate Certified Mail monthly mailings	\$2.2 million
VA Employment Comm	Implement FL Dept of Labor mail process	\$800,000
Dept of General Services	PSI Division Presort Contract	\$10 million
Dept of Social Services	Monthly + Certified Mail	\$1 million *
Virginia State Police	Restricted Delivery Mail	\$330,000 *
Supreme Court	Summons Notices	\$300,000 *

^{*} Denotes Pending Project

Manage \$22 million annual postage spend through the PB Bank

Pitney Bowes Working With States

Florida

Worked with the states team to create a shared services environment with seven agencies sharing centralized print, production mail, courier services and a facility. The state to date has saved over 15 million dollars. Governor Bush's goal was to deliver a higher level of service by the agencies at a reduced cost.

Indiana

Governor Daniels and his team created a centralized print and mail center. Their goal was to provide high integrity mail processing to meet compliance regulations, reduce letter cost, to verify envelope contents, and provide proof of mailing with improved accountability. Estimated savings anticipated to be in excess of 40 million dollars over five years.

Opportunity – Return Mail

- Total annual postage volume \$22,000,000+
- Average Return mail annual volume percentage up to 15-25%
- Equates to \$3,000,000 \$5,500,000 in *lost* money

What happens to return mail?

- Manually sorted by mail room and delivered to agency department
- Manually opened and processed
- Contains checks, licenses, DMV documents and special handling material
- Documents are reprinted and mailed through automated process, or
- worse yet, manually inserted and hand addressed
- Postage re-applied
- Mailed again to constituent not meeting time deadline

Unnecessary Cost to Commonwealth Equals Significant Yearly Savings Opportunity

Conclusion

Pitney Bowes is the global leader in communication solutions, providing the most comprehensive suite of software, hardware services and support to help states manage their IT applications, document printing, flow of electronic mail, hard copy mail, and packages.

Pitney Bowes has a proven track record of working with states to identify opportunities for creating efficiencies in state government, including shared services and eliminating redundant services, meeting compliance issues, creating processes to deliver services at a lower cost with higher value to its constituents.

Pitney Bowes State Government Solutions Team

- Global Mailing Systems
 - Mailing Solutions Management
- Document Messaging Technologies Division
 - Intelligent Inserting, mail sorting and print management solutions
- Pitney Bowes Business Insight Software
 - Data quality, electronic distribution and GIS mapping software
- PSI
 - Pre Sorting mail
- Emtex
 - Print & output management
- Pitney Bowes Global Financing Solutions
 - Postage financing management

Questions?







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